

# **Government Reform Committee**

Senator Frank Antenori, Chairman



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# GOVERNMENT REFORM COMMITTEE

## LEGISLATION ENACTED

state library and archives amendments (S.B. 1123) – Chapter 18

Makes technical and conforming changes necessitated by Laws 2009, Chapter 114, which transferred the Arizona State Library, Archives and Public Records from the purview of the Legislature to the Secretary of State.

homeowners' associations; disputes; administrative hearings (S.B. 1148) – Chapter 185

SEE THE JUDICIARY COMMITTEE.

planned communities; condominiums; document fees (S.B. 1149) – Chapter 65

Effective January 1, 2012, limits the fee that a planned community and condominium association (HOA) can charge a unit owner for the preparation of required documents associated with the resale of a unit to an aggregate of \$400. Permits fees to increase at a rate of no more than 20 percent per year, with limitations. States that an HOA that violates laws regarding the placement of a *for sale* sign forfeits and extinguishes lien rights against the unit for six months.

city auditors; confidential information (S.B. 1153) – Chapter 74

Allows a city or town that has established the office of city auditor to require that the auditor review the minutes of executive sessions of the city or town council or any other public body established by the city or town. States that files maintained by the auditor are not public records. States that any audit report prepared for or presented to a city or town is a public record subject to public record requirements.

dilapidated building; definition (S.B. 1207) – Chapter 41

Limits the definition of *dilapidated building* to any real property structure that is likely to burn or collapse and its condition endangers the life, health, safety or property of the public.

political committee registration; religious entity (S.B. 1282) – Chapter 149

Prohibits this state from requiring a religious institution to register as a political committee if the amount of time or assets the institution spent in influencing legislation, referendums, initiatives or constitutional amendments is not substantial according to Section 501(c)(3) of the Internal Revenue Code.

county election workers; political campaigns (S.B. 1290) – Chapter 71

Prohibits an employee of the County Elections Department, including an employee of the County Merit System, from being an officer of any political campaign or any candidate campaign committee. Exempts a person currently holding elected office.

county island fire districts; meetings (S.B. 1314) – Chapter 162

Decreases the number of public meetings required to be held by a county island fire district board of directors from once a month to at least once every ninety days. Requires the county island fire district's budget to be posted on an official website and specifies the deadlines for posting the budget.

city council; vacancy; appointment; election (S.B. 1318) – Chapter 271

For non-charter cities and towns, states that if a vacancy does not occur more than 30 days before the nomination petition deadline, the appointment to fill a vacancy in a city council is for the unexpired term.

~~homeowners' associations; flagpoles~~ (NOW: flag display; homeowners' associations) (S.B. 1326) – Chapter 152

Allows a condominium association or planned community to create limitations on the number of flags that may be displayed and on the height of the flagpole, but prevents the association and community from prohibiting the front yard or backyard outdoor display of specific flags on a member's property.

cities; towns; deannexation; incorporation (S.B. 1333) – Chapter 348

Through December 31, 2020, limits the time territory within a prescribed distance of an incorporated city or town with a specific population is declared an urbanized area and establishes incorporation and deannexation procedures for a specified population.

county planning; zoning; conforming legislation (S.B. 1341) – Chapter 124

Effective October 1, 2011, implements technical and conforming changes to county planning and zoning statutes necessitated by Laws 2010, Chapter 244.

fire districts; joint powers authority (S.B. 1361) – Chapter 350

Allows cities, towns, counties and fire districts to form separate legal entities to provide fire protection and related services.

county ordinances; utility vehicle parking (S.B. 1364) – Chapter 22

Permits a resident employed by a public service corporation or a public or private safety agency to park a motor vehicle on a street or driveway in a county if the person's employment requires that the vehicle be available at the person's residence during designated periods and if the motor vehicle is owned or operated by the corporation or agency.

paycheck deductions; political purposes (S.B. 1365) – Chapter 251 W/O

Prohibits, beginning after October 1, 2011, any employer from deducting any payment from an employee's paycheck for political purposes without annual written or electronic authorization from the employee.

Also requires that if a deduction is made from an employee's paycheck for multiple purposes, employers are to obtain a statement from each entity indicating that the payment is not used for political purposes or indicating the maximum percentage of the payment that is used for political purposes.

Subjects an employer that improperly deducts payments from an employee's paycheck for political purposes and an entity that provides an inaccurate statement to a civil penalty of at least \$10,000 per violation.

governmental mall commission; public terms (NOW: military affairs; families; funds; omnibus) (S.B. 1373) – Chapter 307 E

An emergency measure, effective April 28, 2011, that makes various changes to statute relating to military affairs, military families and veterans. The major provisions include:

***Arizona Supportive Campus*** – Permits a postsecondary institution to request to be certified by the Director of the Department of Veterans Services (DVS) as an Arizona Veterans Supportive Campus (AVSC) and allows DVS to maintain a list of certified AVSCs on their website. Permits DVS to make a reasonable effort to notify postsecondary institutions and any other appropriate entities of the opportunity to be certified as an AVSC. Requires each AVSC to forward a report to DVS on the number of veterans enrolled in its institution, on or before December 31 and June 30 of each year.

***Military Family Relief Fund*** – Extends the Military Family Relief Fund from December 31, 2013 to December 31, 2018. Modifies session law to require a two-thirds majority, rather than a unanimous, vote of the Military Family Relief Advisory Committee (Committee) to approve an award of up to \$20,000 for an applying family. Extends the authority of the Committee to award grants until December 31, 2012.

***Veteran-Owned Business*** – Requires the Director of the Department of Administration to examine the awarding of state contracts involving the procurement of materials, services or construction to veteran-owned businesses for FY 2012 and to submit a report to the Speaker of the House of Representatives and the President of the Senate on or before October 1, 2012.

***Exemption From Disqualification of Unemployment Benefits*** – Exempts spouses and unemancipated minors from being disqualified from unemployment benefits if they are changing locations with a member of the Armed Services under orders.

***Miscellaneous*** – Allows a disabled veteran who is 100 percent disabled to submit a copy of the person's certificate of 100 percent disability to the Arizona Department of Transportation in order to receive international symbol of access special plates. Deletes language referring to the Montgomery GI Bill and replaces it with language that specifies all education benefits available to veterans of the U.S. Armed Forces can be used for deferment of tuition payments, fees and required books, upon registration at a state supported community college, college or university.

~~forfeiture of office; technical correction~~ (NOW: livery vehicles; taxis; limousines; regulation) (S.B. 1375) – Chapter 104

Prohibits the regulation of livery vehicles, taxis and limousines by a county, city, town or other political subdivision of this state.

~~reviser's technical corrections; 2011 (S.B. 1419)~~ – Chapter 238

Makes necessary technical changes to the Arizona Revised Statutes.

~~technical correction; light pollution~~ (NOW: bond election; informational pamphlet) (S.B. 1512) – Chapter 72

SEE THE WATER, LAND USE AND DEVELOPMENT COMMITTEE.

~~sanitary districts; standards for moratoriums (S.B. 1523)~~ – Chapter 73

Establishes standards and procedures for a sanitary district to adopt a moratorium on construction or land development.

~~city; town; development fees (S.B. 1525)~~ – Chapter 243

States that a municipality may assess development fees to offset the costs to a municipality associated with providing necessary public services to a development, including the costs of infrastructure, improvements, real property, engineering and architectural services, financing and professional services required for the preparation or revision of the portion of the infrastructure improvements necessary for the imposition of a development fee.

Requires a municipality to calculate development fees based on a land use assumptions and infrastructure improvements plan (IIP). Limits development fees to a proportionate share of the cost of infrastructure improvements, based on service units, needed to provide infrastructure improvements to a new development.

Allows projected interest charges and other finance costs to be included in development fees only if the monies are used for the payment of principal and interest on the portion of the bonds, notes or other obligations issued to finance construction identified in the IIP.

A municipality is required to forecast the future revenue contribution to be made from the property owner towards the capital costs of the infrastructure improvements and credit that amount against any development fees assessed on a development.

Includes procedures for the updating and approval of land use assumptions, IIPs and the adoption of development fees. Before the adoption of land use assumptions, IIPs and development fees, a city must appoint an Infrastructure Improvements Advisory Committee composed of at least five members, 50 percent of whom must be representatives of the real estate, development or building industries and one of whom must be from the home building industry.

political flyers; petitions; homeowners' associations (S.B. 1540) – Chapter 154

SEE THE APPROPRIATIONS COMMITTEE.

cities; counties; regulatory review (S.B. 1598) – Chapter 312

***Regulatory Bill of Rights*** – Establishes and enumerates the Regulatory Bill of Rights for individuals who are regulated by cities, towns, counties and flood control districts.

***City and County General Plans and Petitions for Special Action*** – Requires, effective October 1, 2011, a city or county governing body (governing body) to include in a general plan a land use element that includes sources of currently identified aggregates from maps available from state agencies, measures to preserve currently identified aggregates for future development and policies to avoid incompatible land uses.

Also effective October 1, 2011, allows a person who is aggrieved by a decision of a governing body regarding general plan nondiscretionary requirements, after participating in a public hearing to adopt or readopt a general plan, to file a petition for special action in superior court to review the decision within 30 days after a governing body rendered its decision.

***Inspections*** – Effective July 1, 2012, requires an inspector who enters any premises of a regulated person to present photo identification and disclose certain information.

Allows a municipality or county to allow a regulated person to correct deficiencies, with exceptions. If a municipality or county does so, the municipality or county must, within 30 days of receiving notice of the corrections, determine and provide notification if the regulated person is in substantial compliance.

Enforcement action is allowed if a municipality or county determines that a regulated person has not corrected deficiencies within a reasonable period of time and a municipality's decision regarding deficiencies is not an appealable action.

***Prohibited Acts by a Municipality or County*** –Prohibits a municipality or county from basing a licensing decision on a requirement or condition that is not specifically authorized by statute, rule, ordinance or code and states that a general grant of authority does not constitute a basis for imposing a licensing requirement or condition unless specifically authorized by the authority.

***Licensing Timeframes*** – Requires a municipality or county, for any new ordinance or code, and by January 1, 2012, for any existing ordinance or code, to have an administrative completeness, substantive review and overall timeframe in place during which a license will be granted or denied.

The bill also requires a municipality or county to prioritize licensing timeframes based on impact to the public to base licensing timeframes on factors including the possible increased use of general licenses for similar types of business, the possible increased cooperation between the municipality or county and the regulated community and increased municipal or county flexibility in structuring the licensing process and personnel.

***Denial of a License*** – A municipality or county is required to include justification for the denial and an explanation of an applicant's right to appeal. A municipality or county that fails to issue an applicant notice granting or denying a license within the overall or mutually agreed on

timeframe is required to refund, within 30 days, all fees charged for reviewing and acting on an application and excuse the payment of fees not yet paid, and to continue to process the application.

state firearm (S.B. 1610) – Chapter 313

SEE THE APPROPRIATIONS COMMITTEE.

2011-2012; capital outlay (NOW: capital outlay; 2011-2012) (S.B. 1613) – Chapter 25

SEE THE APPROPRIATIONS COMMITTEE.

general government; 2011-2012; budget reconciliation (NOW: budget reconciliation; general government; 2011-2012) (S.B. 1622) – Chapter 34

SEE THE APPROPRIATIONS COMMITTEE.

school district monies; associations; elections (H.B. 2002) – Chapter 169

Prohibits a school district from spending monies for membership in an association that attempts to influence the outcome of an election.

subdivisions; acting in concert (H.B. 2005) – Chapter 328

Effective October 1, 2011, allows, for any subdivision that consists of 10 or fewer lots, tracts, or parcels, a legislative body to expedite the processing or waive the requirement to prepare, submit and receive approval of a preliminary plat as a condition precedent to submitting a final plat.

Allows a legislative body to waive or reduce infrastructure standards proportional to the impact of a subdivision and prohibits a legislative body from waiving requirements for dust-controlled access and drainage improvements.

Clarifies that the sale or lease of a lot, parcel or fractional interest is not considered subdividing if the sale occurs 10 or more years after the sale or lease of another lot, parcel or fractional interest that was not a subdivision unless there is evidence of intent to subdivide.

state employees; wage payments (H.B. 2151) – Chapter 193

Allows an employer to deposit an employee's wages in a payroll card account if: a) the employer has offered deposit to the employee's credit at a financial institution of the employee's choice; b) the employee does not provide consent; and c) the employee does not designate a financial institution. Requires that an employee be provided with a written or electronic statement of his or her earnings and withholdings when the employee's wages are directly deposited to a financial institution or to a payroll card account.

municipalities; counties; fire sprinklers; code (H.B. 2153/S.B. 1374) – Chapter 7

Prohibits a municipality or a county from adopting a code or ordinance that prohibits a person or entity from choosing to install or equip or not install or equip fire sprinklers in a single family detached residence. The bill also prohibits a municipality or a county from imposing any fine

or penalty related to the decision on whether or not to install the equipment. Exempts any code or ordinance that requires fire sprinklers in a residence and that was adopted before December 31, 2009.

counties; powers; technical correction (NOW: homeowners' associations; open meetings; recordings) (H.B. 2245) – Chapter 50

Allows attendees of homeowners' associations meetings to tape record or videotape the open portion of the meeting and allows a board of directors to adopt reasonable related rules.

intergovernmental agreements; separate legal entity (H.B. 2274) – Chapter 330

Adds Indian tribes to the list of cities, towns, counties and special taxing districts that may form a separate legal entity for the purposes of issuing revenue bonds and engaging in electric generation and transmission activities.

protected address; secretary of state (H.B. 2302) – Chapter 173

Beginning January 1, 2012, establishes the Address Confidentiality Program (Program) to allow persons who have been subject to domestic violence, stalking or sexual offenses to keep their residence addresses confidential and not accessible to the general public. The Secretary of State may disclose the address under certain conditions. Establishes the Address Confidentiality Program Fund (Fund) to defray the cost of the administration of the Program. Requires, if able, persons convicted of stalking or domestic violence pay a \$50 assessment from which 95 percent of the monies are deposited into the Fund. Adds border patrol agent to the statutory list of eligible persons.

lake improvement; boating safety; funds. (NOW: boating safety; fees; fund) (H.B. 2314) – Chapter 333

SEE THE APPROPRIATIONS COMMITTEE.

Indian affairs commission; continuation (H.B. 2315) – Chapter 52

Continues, retroactive to July 1, 2011, the Arizona Commission of Indian Affairs until July 1, 2016.

presidential ballot; president; vice-president (H.B. 2335) – Chapter 299

Requires the heading of the column on a ballot containing the names of the candidates for the office of president to read *President and Vice-President*. Requires an indicator for the selection of a candidate to be next to the name of the candidate for president with the name of the vice-presidential candidate immediately below that of the presidential candidate.

Also requires that when presidential electors are voted for, the candidates of each party are represented by the surname of the presidential and vice-presidential candidates of that party.

local government budgeting; posting; publication (H.B. 2422) – Chapter 155

Requires a city or town to post estimates of revenues and expenses and final budgets in a prominent place on an official website.

alternative work hours; DPS employees (H.B. 2474) – Chapter 200 E

An emergency measure, effective April 19, 2011, that allows the Director of the Department of Public Safety (DPS), through January 1, 2014, to establish alternative work periods for all employees of DPS for the purpose of determining overtime compensation.

counties; health care services; payments (H.B. 2478) – Chapter 266

Requires a county with a population of more than one million persons to pay claims for medical or surgical care for a child that is a county charge, an inmate in a county jail or a person in the county infected with tuberculosis, unless otherwise provided by an intergovernmental agreement, as follows:

- a) for inpatient and outpatient medical services, a level that does not exceed the Arizona Health Care Cost Containment System (AHCCCS) methodology for determining reimbursement; and
- b) for health and medical services, at a level that does not exceed the capped fee-for-service schedule that is adopted by AHCCCS.

officeholder expense accounts; late fees (H.B. 2480) – Chapter 117

Establishes a penalty fee of \$5.00 per day for failure of an officeholder to file or make a campaign finance report. Prohibits the late penalty fee from accruing on days during which the Office of the Secretary of State is not open.

burial duties; prisoners; DOC (H.B. 2487) – Chapter 79 E

An emergency measure, effective April 12, 2011, that states that the Arizona Department of Corrections (ADC) is responsible for the burial of a prisoner or for providing other funeral and disposition arrangements if the prisoner is in the custody of ADC at the time of death and no other person is willing or available to fulfill these responsibilities.

~~technical correction; critical infrastructure information~~ (NOW: consumer incentives; food) (H.B. 2490) – Chapter 92

States that the regulation and use of consumer incentive items, including in retail food establishment marketing, are not subject to further regulation by a county, city, town or other political subdivision of this state.

~~technical correction; unclaimed property; transition~~ (NOW: political signs; public right-of-way) (H.B. 2500) – Chapter 318

Modifies rules for the placing, removal, alteration, defacing or covering of any political sign during the period commencing 60 days before a primary election and ending 15 days after the general election.

Allows the jurisdiction to relocate a political sign if the sign constitutes an emergency and requires the jurisdiction to notify the candidate or campaign committee that placed the sign within 24 hours after the relocation.

The jurisdiction may remove a sign if the candidate or campaign committee does not remove the sign within at least 24 hours of the notification. The jurisdiction must provide notice to the party

if the sign is removed and the jurisdiction must retain the sign for at least 10 business days after removing the sign to allow the party to retrieve the sign without penalty.

States that a state, city, town or county employee is not liable for an injury caused by the failure to remove a sign that constitutes an emergency, unless the employee intended to cause injury or was grossly negligent.

city or town annexation (H.B. 2534/S.B. 1136) – Chapter 2 W/O

Permits a city or town located in a county with a population of more than 350,000 to annex territory within a specified area. States that the annexation is valid and becomes immediately operative if approved by a specified number of votes by the city or town governing body.

state nickname; grand canyon state (H.B. 2549/S.B. 1015) – Chapter 5 E

SEE THE BORDER SECURITY, FEDERALISM AND STATES' SOVEREIGNTY COMMITTEE.

government expenditure database; transparency; CAFR (H.B. 2572) – Chapter 119

Requires the Arizona Department of Administration and local governments to include comprehensive annual financial reports on their official internet websites that are electronically searchable by the public at no cost and that contain a comprehensive database of receipts and expenditures of public monies.

homeowners' associations; signs; political; leasing (H.B. 2609) – Chapter 156

Expands homeowners' and condominium associations' open meeting requirements. Prohibits the associations from charging a fee for the use or placement of a commercially produced *for rent* or *for lease* sign.

sunset review; factors (H.B. 2627) – Chapter 176

Expands the number of factors that the committee of reference is required to consider in determining the need for continuation or termination of an agency.

federal monies; union preference; prohibition (H.B. 2644) – Chapter 319

Prohibits a city, town, board of supervisors, department, institution, board or commission from accepting federal monies for a construction project if accepting the monies requires the governmental agency to give preference to union labor.

~~technical correction; deceptive mailings~~ (NOW: secretary of state; database) (H.B. 2701) – Chapter 339

Requires the Secretary of State (SOS) to establish a single format that prescribes the manner and template in which all county recorders provide voter registration data to the SOS. Also requires

all submissions to be identical in format, including the level of detail for voting history, and allows information to be readily combined from two or more counties.

***Voter Registration Form*** – The two largest political parties must be listed on the voter registration form according to the number of voters registered as members of those parties. The bill also requires the voter registration form to allow for a registrant to circle, check or otherwise mark their party preference and include a blank line for other party preference options.

***Early Ballot Requests*** – Requires that if an early ballot request form was created by a political committee or other organization, the request must include the name of the organization that creates or distributes the request. Requires, subject to a \$25 per day late fee, early ballot request forms to be submitted within six business days to the political subdivision conducting the election. Establishes the failure to submit a completed early ballot request as a class 6 felony.

homeowners' associations; penalties; attorney fees (H.B. 2717) – Chapter 292

Prohibits a homeowners' association (HOA) from charging a fee for the use or placement of a commercially produced *for sale* or *for lease* sign and states that an HOA that prohibits or charges a fee for a commercially produced *for sale* or *for lease* sign forfeits and extinguishes lien rights against the unit or property for six months.

### **LEGISLATION VETOED**

religion; free exercise; professionals; appointments (S.B. 1288) – VETOED

Prohibits a government from denying, suspending or revoking a professional or occupational license, certificate or registration based on a person's exercise of religion. Prohibits a government from denying a person a position on a board, commission or public body based on the person's religious beliefs or exercise of religion.

The Governor states in her veto message that because S.B. 1288 prohibits the government from denying, suspending or revoking a professional or occupational license based on religious exercise and beliefs and because the bill states that a person's exercise of religion is not unprofessional, the bill may lead to unanticipated and unintended consequences, as a person can claim that their conduct, harmful or not, is based on religious beliefs.

~~cities; services; managed competition~~ (NOW: managed competition; city services) (S.B. 1322) – VETOED

Requires a city with a population of over 500,000 persons to furnish all municipal services with an anticipated cost of \$500,000 or more via a service contract that has been entered into through open and competitive bidding.

In her veto letter, the Governor expresses concerns with the omission of definitions and parameters by which anticipated cost is to be determined. She also states that the language may also place the tax exempt bond status of public buildings at risk. Finally, she indicates that this bill limits the cities' ability to govern at the local level and will result in unintended consequences to the taxpayer.

public employees; lobbying; political activities (S.B. 1329) – VETOED

Prohibits a public employee from lobbying a governmental entity during the employee's hours of employment with exceptions.

In her letter, the Governor indicates that state law already addresses issues relating to prohibiting public employees from using public resources for political purposes; therefore, this bill is not necessary. She also states that terms such as *public employee* and *political activity* are not clearly defined, which may lead to confusion when implementing the law.

~~technical correction; notaries public; conduct~~ (NOW: consumer fireworks; regulation) (S.B. 1379) – VETOED

Modifies a governing body's authority to regulate the use and sale of permissible consumer fireworks (fireworks) by municipalities and counties. Prohibits the further regulation of fireworks between June 15 through July 5, December 12 through December 31 and January 1 through January 2 of each year. The bill also establishes the State Fire Marshal Fund.

In her veto letter, the Governor indicates that she supports each city and county having the ability to govern itself at the local level. She mentions signing legislation last session that allows for the sale and use of consumer fireworks because it grants cities and counties the power to regulate consumer fireworks.

joint powers exercise; separate entities (S.B. 1497) – VETOED

SEE THE APPROPRIATIONS COMMITTEE.

~~schools; 180 days; conforming changes~~ (NOW: presidential candidates; qualifications; affidavit) (H.B. 2177) – VETOED

Requires that a presidential candidate prove his or her eligibility to run and hold office by providing documentation that proves citizenship, age and residency requirements.

The Governor indicates in her veto letter that she does not support a bill that designates one individual to determine the qualifications of a candidate in order to be placed on the ballot. She states that doing so would allow for arbitrary or politically motivated decisions. In addition, she is not in favor of requiring that candidates submit their early baptismal or circumcision certificates.

~~municipal tax exemption; commercial lease~~ (NOW: 911 monument modification) (H.B. 2230) – VETOED

SEE APPROPRIATIONS COMMITTEE.

public programs; advertisements; funding source (H.B. 2502) – VETOED

Requires a public agency (agency) that advertises using a media announcement or communication for a public program offered or administered by the agency, to include a disclosure statement stating the source of monies that paid for the advertisement, unless the media

announcement or communication already includes a disclosure statement. Exempts an agency from this section when soliciting for donations of monies or goods.

In her veto letter, the Governor indicates that H.B. 2502 is not necessary as the public is aware that public program advertisements are paid for with government monies. The Governor also indicates that she believes the public will view this as a nuisance.

county employees; merit system exemption (H.B. 2650) – VETOED

Permits, with the permission of a board of supervisors, an elected officer of a county with a population of less than two million persons to remove administrative positions from the county employee merit system. Expands the number of employees that are at will uncovered employees.

In her veto letter, the Governor indicates that H.B. 2650 fails to address the employment challenges faced by full authority law enforcement officers, it contains an overly broad salary increase trigger for uncovering an employee and it excludes Maricopa County from the bill.